

Monthly Bulletin

California Department of Business Oversight



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Victor Wells Appointed DBO Deputy Commissioner for Mortgage Lending

DBO has announced the promotion of Victor Wells to Deputy Commissioner for Mortgage Lending. He will assume the post effective Nov. 1.

Victor joined the DBO in 2006, in the Broker-Dealer and Investment Advisers (BDIA) unit. He started at the BDIA's complaint desk, and rose to the rank of supervisor and manager after being on the job for 18 months.

After graduating from high school in Chicago, IL, Victor enlisted in the U.S. Air Force at the age of 17. He served six years and received an honorable discharge before settling in California to pursue his higher education degree.

Victor has two bachelor's degrees: one from Cal State San Bernardino in Accounting (June 1992), and a second in Computer Information Technology (October 2001). After college, Victor worked as an auditor, examiner and staff accountant in the public and private sectors before joining DBO.

1515 K Street, Suite 200
Sacramento, CA 95814-4052
(916) 445-7205

One Sansome Street, Suite 600
San Francisco, CA 94104-4428
(415) 972-8565

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

45 Fremont Street, Suite 1700
San Francisco, CA 94105
(415) 263-8500

300 S. Spring Street, Suite 15513
Los Angeles, CA 90013
(213) 897-2085

7575 Metropolitan Drive, Suite 108
San Diego, CA 92108
(619) 682-7227

Department of Business Oversight Consumer Services Office – 1(866) 275-2677



Commissioner Asks Banks, Credit Unions to Lead Wildfire Recovery Efforts

The Commissioner on Sept. 17 called on state-chartered banks and credit unions to be leaders in efforts to help communities recover in four fire-damaged counties.

The Commissioner urged banks and credit unions in Amador, Calaveras, Lake and Napa counties to grant appropriate latitude on loan payments to existing customers affected by the Valley and Butte fires. She also urged the financial institutions to ensure customers have ready access to their funds, and to expedite the extension of new credit to help residents and businesses finance cleanup or rebuilding. Finally, the Commissioner asked banks and credit unions to support fundraising efforts to help affected communities recover.

Commissioner Owen issued the following statement:

"Our banks and credit unions are more than financial institutions. They're citizens of the communities in which they do business. I know they will come through, do their part, and more."

The DBO continues to monitor and coordinate with banks, credit unions and other licensees on any necessity to close branches in the four counties. The Commissioner on Sept. 16 approved two bank branch closures in Middletown. The two branches re-opened on Sept. 21. A total of 94 bank and credit union branches are located in the four counties.



'Know Before You Owe' TRID Mortgage Disclosure Rules

New federally-mandated disclosure rules from the U.S. Consumer Financial Protection Bureau (CFPB) governing mortgage loan estimates and closing costs took effect Oct. 3. The new rule consolidates four disclosures

required by the federal Truth in Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA) into two forms: a **Loan Estimate** that must be delivered or placed in the mail no later than the third business day after receiving a consumer's loan application; and a **Closing Disclosure** that must be provided to the consumer at least three business days prior to the loan closing date.

Also known as "Know Before You Owe," the new TRID disclosure forms must be provided by all lenders or brokers who receive a mortgage loan application from a consumer on or after Oct 3. The DBO will be examining licensees for compliance with the new rule after that date.

In an Oct. 1 [letter](#), the State Liaison Committee of the Federal Financial Institutions Examination Council (FFIEC) replied to an [inquiry](#) from the American Bankers Association and 17 additional trade associations regarding regulatory compliance with the new rules. This and a similar [letter](#) from the FDIC, outline the basics of initial regulatory examinations for compliance with the rule, and reassure the industry that good faith efforts to comply will be taken into consideration.

In addition to the new forms, TRID contains additional new regulatory requirements. For more information on the new forms and additional regulatory requirements, review the TILA-RESPA Integrated Disclosure rule implementation guidance posted on the CFPB website [here](#).

DBO has established a TRID information page at our website [here](#). The Loan Estimate form is available on DBO's website in English, Spanish, Chinese, Korean, Tagalog and Vietnamese [here](#).



Federal Reserve and CSBS Release 2015 Community Banking Report

The Federal Reserve System and the Conference of State Bank Supervisors (CSBS) on Oct. 1 released *Community Banking in the 21st Century: Opportunities, Challenges and Perspectives*, a report that details conditions facing today's community bankers.

The report was produced and released in conjunction with the third annual Community Banking in the 21st Century research and policy conference, hosted by the Fed and CSBS at the Federal Reserve Bank of St. Louis on Sept. 30-Oct. 1.

The report contains the results of the 2015 National Survey of Community Banks, distributed by state bank commissioners in 39 states. The survey provides a comprehensive view of what bankers are thinking about key issues facing their industry and how they are responding to changes in their markets. It covers issues such as the regulations most impacting community banks, the narrowing of mortgage lending product offerings, and the evolving mix of other products and services.

The second part of the report is a summary, in narrative form, of town hall meetings and associated roundtable discussions among regulators and bankers across the country. State regulators from 27 states conducted town hall meetings with their community bankers, asking questions about local economic conditions, borrower attitudes, unmet financial services needs in the state, current regulatory challenges and more.

The report can be found on the community banking research conference website at www.communitybanking.org.

This is the third year the report has been published and the second year it has featured the survey.



Local Agency Security Assessment

Pursuant to Government Code section 53667, the Commissioner annually assesses all depository institutions in California in which the local agency securities are deposited. The assessments fund the DBO's administration of the laws relating to local agency securities. Invoices were mailed to depository institutions on Sept. 30.

The base rate for the assessment was set at 0.0021% of average local agency deposits for fiscal year 2014-15.

Depository institutions must pay their assessment no later than Oct. 20. Questions regarding the assessment should be directed to Patrick Carroll at 415-263-8559 or patrick.carroll@dbo.ca.gov.



Office of Credit Unions – Changes in the Licensee Point of Contact

Lana Tom, the Assistant Deputy Commissioner (Portfolio Manager) for the Office of Credit Unions, is retiring from State service. Lana stepped down from her role as the San Francisco based Portfolio Manager on Aug. 31. Upon her formal retirement date, Lana will have provided 37 years of distinguished service to the people of California.

Sean Sisser, the Assistant Deputy Commissioner (Examination Manager) based in San Francisco, was temporarily overseeing the Portfolio Manager responsibilities beginning September 1, 2015. Sean has accepted an offer to permanently fill the Portfolio Manager vacancy created by Lana retirement on a permanent basis. Sean has more than 32 years of service with the State, with much of that time spent in credit union examination. Sean has been the Examination Manager in San Francisco since 2002 and has a strong knowledge of the institutions, management teams and boards of directors of the San Francisco-based credit unions he will be supervising.

Sean's transfer to the permanent San Francisco-based Portfolio Manager role was effective Oct. 1. All inquiries from San Francisco-based credit union licensees should now be directed to Sean. The [Directory of State Chartered Credit Unions](#) on the DBO website has been updated to reflect the changes in contact information.



October is National Cyber Security Awareness Month

Everyone must do their part to make sure our online lives are kept safe and secure. Toward that end, October has been declared National Cyber Security Awareness Month ([NCSAM](#)).

NCSAM was created 15 years ago as a collaborative effort between government and industry to ensure every American has the resources to stay cyber-secure. Since its inception under leadership from the U.S. Department of Homeland Security and the National Cyber Security Alliance, NCSAM has grown rapidly, reaching consumers, small and medium-sized businesses, corporations, educational institutions and young people across the nation.

Listed below are some of the resources your institution may use to engage.

- *Stop. Think. Connect. Campaign Backgrounder* – a summary of the overall national cybersecurity education and awareness campaign from the U.S. Department of Homeland Security can be found [here](#).
- *Creating a Culture of Cybersecurity* – Post or distribute workplace cybersecurity best practices tips around your office. Some useful infographics on cybersecurity can be found [here](#).
- *NCSAM Promotional Images on Website* – Share the NCSAM promotional materials on your website or on your social networks.
 - [NCSAM Button](#) [NCSAM Banner](#)
 - [NCSAMPromo1](#) [NCSAMPromo2](#)

More promotional materials are available for download on the NCSAM website at www.staysafeonline.org.



Californians Continue Meeting Water Conservation Mandate

California urban water users in August reduced their water use by nearly 27 percent compared to the same month in 2013, exceeding the Governor's 25 percent conservation mandate for the third straight month.

While August's conservation was good, it was down from July's record savings performance of 31.4 percent. As California enters the cool fall months, when water use traditionally drops, overall savings will likely drop.

Cumulative savings for the summer, despite hot and dry conditions, put the state half-way to meeting its goal of 1.2 million acre-feet of water saved by February 2016. State Water Resources Control Board officials stressed it will take persistence on the part of urban water users, now and into winter, to meet the goal.



For more information, go to www.ca.gov/drought/.

Commercial Bank Activity

New Bank

PV ACQUISITION BANK

255 East River Park Circle, Fresno, Fresno County

Correspondent: David L. Horstmann

Heartland Financial USA, Inc.

P.O. Box 778, Dubuque, IA 52004

Approved: 9/7/15

(In connection with the acquisition of Premier Valley Bank, Fresno by Heartland Financial USA, Inc., Dubuque, Iowa)

Merger

America California Bank, San Francisco, merged with and into First National Bank of Northern California, South San Francisco
Effectuated: 9/4/15

Bank of Santa Barbara, The, Santa Barbara, to merge with and into American Riviera Bank, Santa Barbara
Filed: 8/31/15

Premier Valley Bank, Fresno, to merge with and into PV Acquisition Bank, with change of name to Premier Valley Bank
Approved: 9/7/15
(In connection with the acquisition of Premier Valley Bank, Fresno by Heartland Financial USA, Inc., Dubuque, Iowa)

Sutter Community Bank, Yuba City, to merge with and into Suncrest Bank, Visalia
Filed: 9/18/15

Purchase of Partial Business Unit

Americas United Bank, Glendale, to acquire the Santa Fe Springs and Commerce branches of Banc of California, National Association, Irvine
Approved: 9/8/15
Effectuated: 9/25/15

Bank of Stockton, Stockton, to acquire the Brentwood and Napa branches of First Bank, Creve Coeur, Missouri
Effectuated: 9/25/15

Bank of Stockton, Stockton, to acquire the Fairfield branch of First Bank, Creve Coeur, Missouri
Effectuated: 9/25/15

Acquisition of Control

Heartland Financial USA, Inc. to acquire control of PV Acquisition Bank
(Proposed)
Approved: 9/8/15
(In connection with the acquisition of Premier Valley Bank, Fresno by Heartland Financial USA, Inc., Dubuque, Iowa)

Acquisition of Control (Continued)

Pacific Commerce Bancorp to acquire control of Pacific Commerce Bank
Filed: 8/24/15

Private Bancorp of America, Inc., to acquire control of San Diego Private Bank
Filed: 8/28/15

Sang Young Lee, Chun Young Lee and Lee's Gold and Diamond Import, Inc., to
acquire control of Pacific City Bank
Filed: 9/17/15

Credit Union Activity**Merger**

ILWU-FSC Federal Credit Union, Oakland, to merge with and into ILWU Credit
Union, Wilmington
Filed: 9/1/15

S.T.A.R. Community Credit Union, Chico, to merge with and into Members 1st
Credit Union, Redding
Filed: 8/10/15

Premium Finance Company Activity**New Premium Finance Company**

ETI of California
660 Newport Center Drive, Newport Beach, Orange County
Filed: 8/28/15

Heritage Premium Finance Company
660 Newport Center Drive, Newport Beach, Orange County
Filed: 8/26/15
Approved: 9/16/15

Western Finance Company
660 Newport Center Drive, Newport Beach, Orange County
Filed: 8/28/15

Voluntary Surrender of License

AFCO Premium Acceptance, Inc.
Effectuated: 7/14/15

Foreign (Other Nation) Bank Activity**New Office**

Mizuho Bank, Ltd.
201 Mission Street, City and County of San Francisco (Representative Office)
(temporary location)
Opened: 9/1/15

Société Générale

- 18101 Von Karman Avenue, Irvine, Orange County (Representative Office)
- 233 Wilshire Boulevard, Santa Monica, Los Angeles County (Representative Office)

Approved: 9/7/15
Opened: 9/14/15

Discontinuance of Office

Cathay United Bank, Ltd.
707 Wilshire Boulevard, Los Angeles, Los Angeles County
Effectuated: 9/15/15

KASIKORNBANK PCL
601 South Figueroa Street, Los Angeles, Los Angeles County (Nondepository Agency)
(in connection with the transformation of the Nondepository Agency to a Representative Office)
Filed: 9/25/15

Money Transmitter Activity**New Transmitter**

Circle Payments, LLC
Filed: 9/22/15

Change of Name

ITC Financial Licenses, Inc., to change its name to InComm Financial Services, Inc.

Effected: 9/30/15

Voluntary Surrender of License

Tempo Financial U.S. Corporation

Effected: 9/29/15

JAN LYNN OWEN

Commissioner of Business Oversight



The October 2015 *Monthly Bulletin* covers the month ended September 30, 2015. It is issued pursuant to Financial Code section 376. The *Monthly Bulletin* is available without charge via e-mail. To subscribe, go to: <http://www.dbo.ca.gov/Resources/subscription.asp>.